

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION**

D. MICHAEL EBERHARDT,

Plaintiff,

v.

VENTURE GLOBAL LNG, INC.,  
ROBERT PENDER, AND MICHAEL SABEL

Defendants.

Case No. 1:24-cv-01929-AJT-IDD

JURY TRIAL DEMANDED

**COMPLAINT**

### **Introduction**

1. This is the thirteenth litigation or other claim brought against Venture Global LNG, Inc. (“Venture Global”) in the last eighteen months relating to Venture Global’s refusal to honor stock-option agreements entered into with its officers, directors, employees, and advisors. Claims have been brought by:

- A former Chief Executive Officer and board member;
- Two former Chief Financial Officers;
- A former General Counsel;
- Two former Senior Vice Presidents;
- Two Advisory Board members; and
- Multiple other former employees.

2. This particular case involves claims by Venture Global’s former Chief Financial Officer, D. Michael Eberhardt. Mike is the holder of options for 3,218 shares of Venture Global’s Series A Common Stock. The shares are currently worth almost \$200 million. Mike has attempted to exercise these options on numerous occasions over the past two years. Each time, Venture Global has refused to honor the exercise.

3. Like the other individuals identified above, Mike has been compelled to bring this action to recover the damages he has suffered due to Venture Global’s refusal to honor his option exercise and Robert Pender’s and Michael Sabel’s tortious interference with his right to exercise.

### **The Parties**

4. ***D. Michael Eberhardt:*** D. Michael Eberhardt is a resident of Austin, Texas. He is the co-founder and Chief Executive Officer of Mobility Storage Solutions, Inc., a company focused on providing green storage solutions to the transportation and logistics industry. From

April 2017 until January 2020, Mike served as Chief Financial Officer and Treasurer of Venture Global.

5. Mike is a graduate of the University of Colorado at Boulder, with a degree in accounting. He is a CPA, who has been licensed over the years in a number of jurisdictions. He is currently licensed in Colorado. Mike worked as an accountant at Arthur Andersen from June 1990 until June 2002, when he moved to PricewaterhouseCoopers LLP (“PwC”). From 2002 to April 2017, Mike was a partner at PwC, where, in the latter years, he led the firm’s U.S. energy-regulatory practice. From 2013 to 2017, Mike served as the engagement partner at PwC for Venture Global.

6. ***Venture Global LNG, Inc.:*** Founded in 2012 by Robert Pender and Michael Sabel, Venture Global is an energy company that develops, builds, and operates liquefied natural gas (“LNG”) facilities under long-term sale and purchase agreements with international oil and gas companies. Venture Global utilizes a “mid-scale” liquefaction technology to convert U.S.-generated shale gas to LNG for export. Venture Global was initially established as a Delaware LLC. It was subsequently incorporated in Delaware in March 2013 when it brought on a small number of investors as minority shareholders. Venture Global’s principal place of business is Arlington, Virginia. Together, Pender and Sabel currently own roughly 84% of Venture Global.

7. ***Robert Pender:*** Robert Pender is a resident of McLean, Virginia. Before founding Venture Global, Pender was a partner in the project and international finance group at Hogan Lovells. He currently serves as Executive Co-Chairman and Managing Partner at Venture Global. He previously held the position of Co-Chief Executive Officer.

8. ***Michael Sabel:*** Michael Sabel is a resident of Washington, D.C. Prior to founding Venture Global, Sabel was Executive Vice President of First Sierra Financial, where he was

responsible for leading business and e-commerce strategy, public equity market transactions, and the company's acquisition program. He currently serves as Chief Executive Officer and Executive Co-Chairman at Venture Global.

### **Jurisdiction and Venue**

9. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332 because Mike, on the one hand, and Venture Global, Pender, and Sabel, on the other hand, are citizens of different states and the amount in controversy, exclusive of interest and costs, exceeds the sum of \$75,000.

10. This Court has personal jurisdiction over Venture Global and Pender because they are citizens of the Commonwealth of Virginia. This Court has personal jurisdiction over Sabel because he regularly transacts business, including the conduct alleged herein, in the Commonwealth of Virginia. Venue is proper pursuant to 28 U.S.C. § 1391(b)(2) because a substantial part of the events or omissions giving rise to the claim herein occurred in this District.

### **Factual Allegations**

*Venture Global's foundational customers were the bedrock of its success.*

11. When Sabel and Pender founded Venture Global in 2012, it was simply a concept. Prior to founding Venture Global, neither Pender nor Sabel had any experience building or operating an LNG plant. They were virtual unknowns in the LNG industry, a field dominated by global oil and gas conglomerates, like Shell and BP, and state-owned energy companies. Nonetheless, Pender and Sabel believed there was an untapped market for liquifying and exporting U.S. shale gas. They proposed to do this by constructing LNG facilities utilizing small, prefabricated liquefaction trains, allowing them to lower labor costs and reduce construction duration. This factory-built, mid-scale, modular plant design replaced the traditional large-scale,

highly customized LNG plant configurations that are constructed almost entirely on site by large work forces over long periods of time. Through this new approach, Venture Global hoped to become a low-cost producer of LNG, exporting from multiple facilities in the United States.

12. In May 2013, Venture Global applied for authorization to export 5 million tonnes per annum (mtpa) of LNG.<sup>1</sup> That authorization was granted in September 2013,<sup>2</sup> and authorizations for another 5 mtpa<sup>3</sup> and 2 mtpa<sup>4</sup> were granted in 2014 and 2015, respectively. In late 2014, Venture Global publicly announced its intention to construct the Calcasieu Pass Project in Cameron Parish, Louisiana, Venture Global's first LNG export facility.<sup>5</sup> Venture Global's export authorizations were a critical part of obtaining funding for constructing Calcasieu Pass, as was the involvement and backing of several reputable industry veterans, who were instrumental in securing six twenty-year sale and purchase agreements ("SPAs") with "foundational customers" or "off-takers."

13. These SPAs would provide the necessary future revenue to support project financing and debt repayment for the Calcasieu Pass construction. Because they were entered into prior to construction, they were based in part on the promise of cheap LNG. In this case, the SPAs

---

<sup>1</sup> Venture Global LNG, LLC Application for Long-Term Authorization to Export Liquefied Natural Gas to Free Trade Agreement and Non-Free Trade Agreement Countries, FE Docket No. 13-69-LNG (May 13, 2013), available at [https://fossil.energy.gov/ng\\_regulation/sites/default/files/programs/gasregulation/authorizations/2013/applications/13\\_69\\_lng.pdf](https://fossil.energy.gov/ng_regulation/sites/default/files/programs/gasregulation/authorizations/2013/applications/13_69_lng.pdf).

<sup>2</sup> Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Venture Global LNG Project in Cameron Parish, Louisiana, to Free Trade Agreement Nations, DOE/FE Order No. 3345, FE Docket No. 13-69-LNG (Sept. 27, 2013), available at [https://fossil.energy.gov/ng\\_regulation/sites/default/files/programs/gasregulation/authorizations/2013/orders/ord3345.pdf](https://fossil.energy.gov/ng_regulation/sites/default/files/programs/gasregulation/authorizations/2013/orders/ord3345.pdf).

<sup>3</sup> Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Venture Global LNG Project in Cameron Parish, Louisiana, to Free Trade Agreement Nations, DOE/FE Order No. 3520, FE Docket No. 14-88-LNG (Oct. 10, 2014), available at <https://www.energy.gov/sites/prod/files/2014/10/f18/ord3520.pdf>.

<sup>4</sup> Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Venture Global Calcasieu Pass LNG Project in Cameron Parish, Louisiana, to Free Trade Agreement Nations, Order No. 3662, FE Docket No. 15-25-LNG (June 17, 2015), available at <https://www.energy.gov/sites/prod/files/2015/06/f23/ord3662.pdf>.

<sup>5</sup> Press Release, Venture Global LNG, Governor Jindal and Venture Global LNG Announce \$4.25 Billion LNG Complex at Calcasieu Ship Channel in Cameron (Dec. 10, 2014), <https://venturegloballng.com/press/governor-jindal-and-venture-global-lng-announce-4-25-billion-lng-complex-at-calcasieu-ship-channel-in-cameron/>.

were with Shell, BP, Edison S.p.A. (“Edison”), Galp, Repsol, and Polish Oil and Gas Company (“PGNiG”). The first of these foundational customers was Shell, which entered a 20-year SPA for 1 mtpa in January 2016 at a price significantly below market.<sup>6</sup> Edison’s contract was entered into over a year and a half later in September 2017,<sup>7</sup> Galp’s and BP’s in April and May 2018, respectively,<sup>8</sup> Repsol’s in August 2018,<sup>9</sup> and PGNiG’s in September 2018.<sup>10</sup> All are 20-year agreements for 1 or 2 mtpa each for the duration of the agreement.<sup>11</sup> In total, these foundational customers committed to purchase 8.5 mtpa of the 10 mtpa nameplate capacity of Calcasieu Pass. One industry consultant, Poten & Partners, estimated that Venture Global priced its LNG contracts between 15 and 20% lower than market.<sup>12</sup>

---

<sup>6</sup> Letter from Venture Global Calcasieu Pass, LLC to Dep’t of Energy re: Submission of Contract and Summary of Major Provisions of Contract for Public Posting, FE Docket Nos. 13-69-LNG, 14-88-LNG, 15-25-LNG (Feb. 8, 2016), available at [https://www.energy.gov/sites/prod/files/2019/01/f58/Shell%20NA%20LNG%20LLC%2002\\_08\\_16.pdf](https://www.energy.gov/sites/prod/files/2019/01/f58/Shell%20NA%20LNG%20LLC%2002_08_16.pdf).

<sup>7</sup> Letter from Venture Global Calcasieu Pass, LLC to Dep’t of Energy re: Submission of Contract and Summary of Major Provisions of Contract for Public Posting, FE Docket Nos. 13-69-LNG, 14-88-LNG, 15-25-LNG (Oct. 18, 2017), available at [https://www.energy.gov/sites/prod/files/2019/01/f58/Edison%20S.P.A%2010\\_18\\_17.pdf](https://www.energy.gov/sites/prod/files/2019/01/f58/Edison%20S.P.A%2010_18_17.pdf).

<sup>8</sup> Letter from Venture Global Calcasieu Pass, LLC to Dep’t of Energy re: Submission of Contract and Summary of Major Provisions of Contract for Public Posting, FE Docket Nos. 13-69-LNG, 14-88-LNG, 15-25-LNG (May 24, 2018),

available at <https://www.energy.gov/sites/prod/files/2019/01/f58/Galp%20Energia%20E%26P%20B.V.%2C.pdf>;

Letter from Venture Global Calcasieu Pass, LLC to Dep’t of Energy re: Submission of Contract and Summary of Major Provisions of Contract for Public Posting, FE Docket Nos. 13-69-LNG, 14-88-LNG, 15-25-LNG (May 22, 2018), available at <https://www.energy.gov/sites/prod/files/2019/01/f58/BP%20Gas%20Marketing%20Limited.pdf>.

<sup>9</sup> Letter from Venture Global Calcasieu Pass, LLC to Dep’t of Energy re: Submission of Contract and Summary of Major Provisions of Contract for Public Posting, FE Docket Nos. 13-69-LNG, 14-88-LNG, 15-25-LNG (Sept. 7, 2018), available at <https://www.energy.gov/sites/default/files/2023-03/Repsol%2008.14.2018.pdf>.

<sup>10</sup> Letter from Venture Global Calcasieu Pass, LLC to Dep’t of Energy re: Submission of Contract and Summary of Major Provisions of Contract for Public Posting, FE Docket Nos. 13-69-LNG, 14-88-LNG, 15-25-LNG (Oct. 26, 2018), available at [https://www.energy.gov/sites/prod/files/2019/01/f58/POLSKIE%20G%C3%93RNICTWO\\_2.pdf](https://www.energy.gov/sites/prod/files/2019/01/f58/POLSKIE%20G%C3%93RNICTWO_2.pdf).

<sup>11</sup> Shell and PGNiG subsequently amended their agreements in 2018 and 2021 respectively to purchase additional LNG. *See* Letter from Venture Global Calcasieu Pass, LLC to Dep’t of Energy re: Submission of Contract Amendment and Summary of Major Provisions of Contract for Public Posting, FE Docket Nos. 13-69-LNG, 14-88-LNG, 15-25-LNG (Mar. 30, 2018), available at

[https://www.energy.gov/sites/prod/files/2019/01/f58/Shell%20NA%20LNG%20LLC%2003\\_30\\_18.pdf](https://www.energy.gov/sites/prod/files/2019/01/f58/Shell%20NA%20LNG%20LLC%2003_30_18.pdf);

Letter from Venture Global Calcasieu Pass, LLC to Dep’t of Energy re: Submission of Contract Amendment and Summary of Major Provisions of Amended Contract for Public Posting, FE Docket Nos. 13-69-LNG, 14-88-LNG, 15-25-LNG (Sept. 7, 2021), available at [https://www.energy.gov/sites/default/files/2021-09/POLSKIE%20G%C3%93RNICTWO%20Amendment%209\\_7\\_2021.pdf](https://www.energy.gov/sites/default/files/2021-09/POLSKIE%20G%C3%93RNICTWO%20Amendment%209_7_2021.pdf).

<sup>12</sup> Benoît Morenne & Jenny Strasburg, *The U.S. Gas Startup at the Center of an Epic Feud with Global Energy Giants*, WSJ (Dec. 6, 2023), <https://www.wsj.com/business/energy-oil/the-u-s-gas-startup-at-the-center-of-an-epic-feud-with-global-energy-giants-a59a1b39>.

14. These agreements enabled Venture Global to secure equity investments totaling \$1.3 billion and debt construction financing of \$5.8 billion from a lender group that includes banks such as ING Capital LLC, Banco Santander, S.A, Mizuho Bank, Ltd., The Bank of Nova Scotia, JPMorgan Chase Bank, N.A., Goldman Sachs Bank USA, and Morgan Stanley Senior Funding, Inc.<sup>13</sup>

15. In addition to the Calcasieu Pass Project, Venture Global is also developing the Plaquemines Project, a 20 mtpa mid-scale facility that is expected to produce pre-construction LNG later this year,<sup>14</sup> and Calcasieu Pass 2 (“CP2”), which is currently in development and expected to come on-line in 2026.<sup>15</sup> When completed, these three projects, along with a fourth project currently in development—Delta LNG<sup>16</sup>—will have 74.4 mtpa total production capacity fully committed under take-or-pay SPAs with 20 investment-grade supermajors and petrostates across the four projects.

***Venture Global fails to honor its deals with its foundational customers.***

16. In October 2021, Venture Global represented to the Department of Energy that “Calcasieu Pass anticipates that it will commence full operations . . . in mid-2022 . . . .”<sup>17</sup> Consistent with that representation, shortly after construction of a portion of the facility was

<sup>13</sup> Press Release, Venture Global LNG, Venture Global Announces Final Investment Decision and Financial Close for Calcasieu Pass LNG (Aug. 19, 2019), <https://venturegloballng.com/press/venture-global-announces-final-investment-decision-and-financial-close-for-calcasieu-pass-lng/>.

<sup>14</sup> *US Regulators okay first step to start Plaquemines LNG plant in Louisiana*, Reuters (Sept. 6, 2024), <https://www.reuters.com/markets/commodities/us-regulators-okay-first-step-start-plaquemines-lng-plant-louisiana-2024-09-06/>; Ruth Liao, *Plaquemines LNG Not Likely to Start by Year-End: Kpler*, Bloomberg (Oct. 23, 2024), <https://tinyurl.com/Plaquemines>.

<sup>15</sup> *FERC approves Venture Global’s CP2 LNG Project*, LNGPrime (June 27, 2024), <https://lngprime.com/americas/ferc-approves-venture-globals-cp2-lng-project/115769/>.

<sup>16</sup> *Venture Global Delta LNG*, Venture Global LNG, <https://venturegloballng.com/delta-project/> (last visited Oct. 9, 2024).

<sup>17</sup> Letter from Venture Global Calcasieu Pass, LLC to Dep’t of Energy re: Semi-annual Status Report, FE Docket Nos. 13-69-LNG, 14-88-LNG, and 15-25-LNG, at 3 (Oct. 1, 2021), available at <https://www.energy.gov/sites/default/files/2021-10/VG%20Calcasieu%20Pass%20Semi-Annual%20Report%20%28100121%29.pdf>.

complete, including the power facility, gas pre-treatment, four LNG trains, the storage tank and marine jetty, Venture Global shipped its first cargo—a loaded tanker of LNG—from Calcasieu Pass on March 1, 2022 and claimed to “now hold[] the global record for the fastest large-scale greenfield LNG facility to ever be built. . . .”<sup>18</sup>

17. Nonetheless, even now in late 2024, Venture Global has yet to declare Calcasieu Pass “commercially operational.” Instead, it remains in what is the “longest-ever commissioning period” for an LNG facility.<sup>19</sup> Typically, commissioning periods are one to three months,<sup>20</sup> which is the period during which a facility is effectively ramping up and capable of shipping cargoes, but still addressing minor problems and usually not capable of processing and shipping at full capacity. Calcasieu Pass’s commissioning period has now stretched over thirty months, even though it has been shipping cargoes since March 2022 and running at or above nameplate capacity since October 2022.<sup>21</sup>

18. Calcasieu Pass has since shipped approximately 360 cargoes with over 23 million tonnes of LNG to customers around the world during its over thirty-month “commissioning” period.<sup>22</sup> Despite this amount being more than sufficient to supply the 8.5 mtpa Venture Global

---

<sup>18</sup> Press Release, Venture Global LNG, Venture Global LNG and JERA Announce Departure of Inaugural Commissioning Cargo from Calcasieu Pass (Mar. 1, 2022), <https://venturegloballng.com/press/venture-global-lng-and-jera-announce-departure-of-inaugural-commissioning-cargo-from-calcasieu-pass/>.

<sup>19</sup> Eric Yep & Corey Paul, *Shell criticizes Venture Global LNG over Calcasieu Pass commissioning delay*, S&P Global (Sept. 5, 2023), <https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/lng/090523-shell-criticizes-venture-global-lng-over-calcasieu-pass-commissioning-delay>.

<sup>20</sup> Curtis Williams & Marwa Rashad, *Repsol challenges Venture Global LNG over failure to supply gas*, Reuters (Sept. 20, 2023), <https://www.reuters.com/business/energy/repsol-challenges-venture-global-lng-over-failure-supply-gas-2023-09-20/>.

<sup>21</sup> Corey Paul, *Shell says Venture Global ‘wrongfully earned’ \$3.5 bil from Calcasieu Pass LNG commissioning delay*, S&P Global (Sept. 5, 2024), <https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/lng/090524-shell-says-venture-global-wrongfully-earned-35-bil-from-calcasieu-pass-lng-commissioning-delay>.

<sup>22</sup> Corey Paul, *Shell says Venture Global ‘wrongfully earned’ \$3.5 bil from Calcasieu Pass LNG commissioning delay*, S&P Global (Sept. 5, 2024), <https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/lng/090524-shell-says-venture-global-wrongfully-earned-35-bil-from-calcasieu-pass-lng-commissioning-delay>; U.S. Dep’t of Energy, U.S. Natural Gas Imports and Exports Monthly at 8 (July 2024), available at <https://www.energy.gov/sites/default/files/2024-09/Natural%20Gas%20Imports%20and%20Exports%20Monthly%20July%202024.pdf>.



committed to its foundational customers, none of these cargoes have been sold under the SPAs. Instead, all have been sold on the spot market, which has provided significantly higher prices and operational cash flows than the SPAs Venture Global has with its foundational customers.<sup>23</sup>

19. Spot-market prices soared after Russia invaded Ukraine on February 24, 2022. At one point in 2022, prices rose to as much as \$75 per Million Metric British thermal unit (“MMBtu”)<sup>24</sup> which stood in marked contrast to the SPAs, which carry some of the lowest fixed liquefaction fees of any U.S. exporter, with some SPAs believed to be below \$2 per MMBtu.<sup>25</sup>

20. As depicted in Figure 1, by not honoring its commitments under the SPAs, Venture Global (shown below as “Cameron (Calcasieu Pass), LA”) was able to charge more than double the average LNG price in 2022 and 2023.

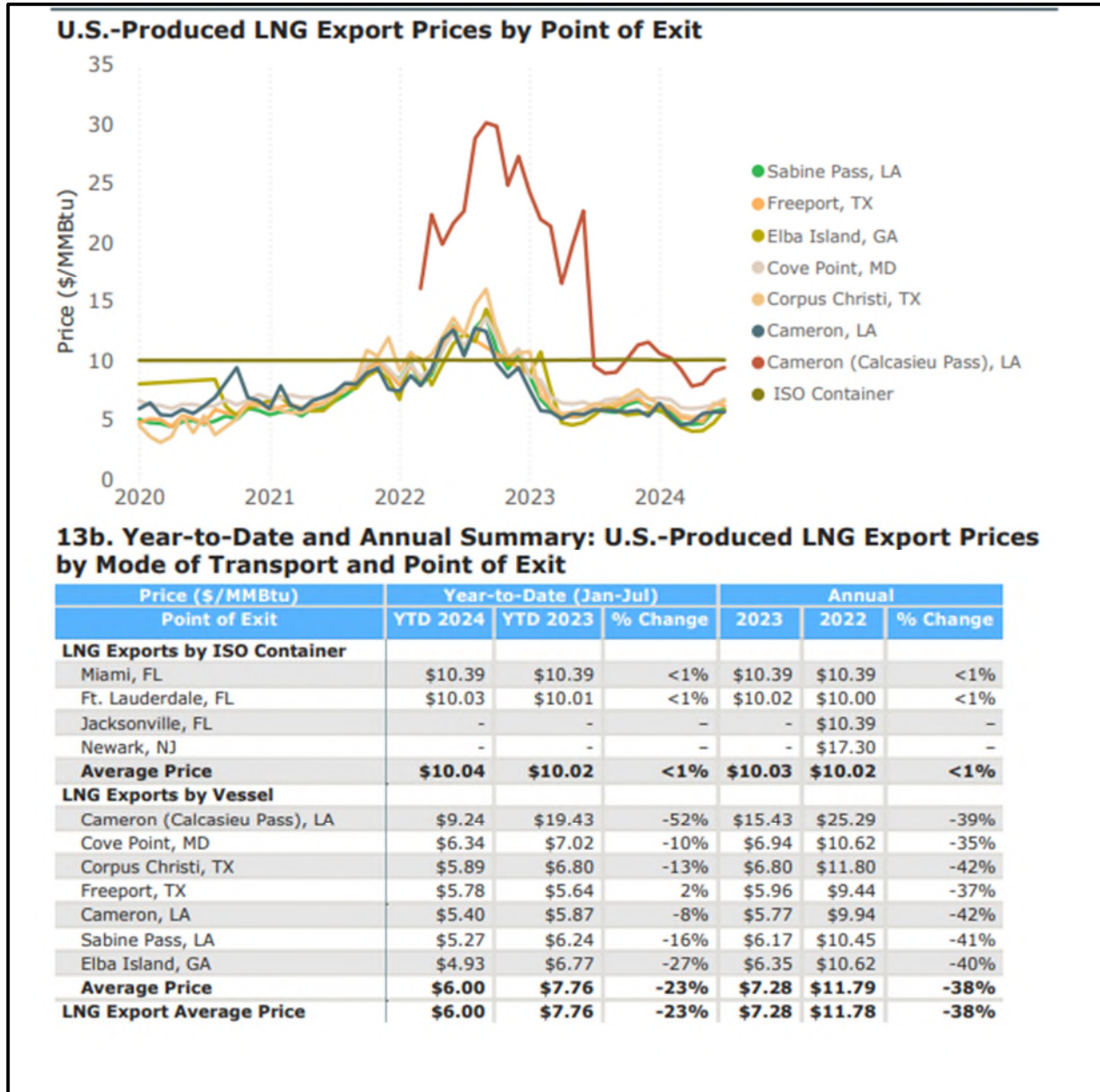
---

<sup>23</sup> Benoît Morenne & Jenny Strasburg, *The U.S. Gas Startup at the Center of an Epic Feud with Global Energy Giants*, WSJ (Dec. 6, 2023), <https://www.wsj.com/business/energy-oil/the-u-s-gas-startup-at-the-center-of-an-epic-feud-with-global-energy-giants-a59a1b39>.

<sup>24</sup> *A year later, Calcasieu Pass still commissioning as expansions get boost, foundation customers wait*, S&P Global (Mar. 21, 2023), <https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/natural-gas/032123-a-year-later-calcasieu-pass-still-commissioning-as-expansions-get-boost-foundation-customers-wait>.

<sup>25</sup> Scott Disavino & Marwa Rashad, *Explainer: Venture Global LNG contract fight with European customers*, Reuters (Sept. 20, 2023), <https://www.reuters.com/business/energy/venture-global-lng-contract-fight-with-european-customers-2023-09-19/>.

Figure 1<sup>26</sup>



21. Had Venture Global honored the SPAs with its foundational customers, its average price would have been roughly 40% lower than the average LNG price in 2023.

<sup>26</sup> U.S. Dep't of Energy, U.S. Natural Gas Imports and Exports Monthly at 33 (July 2024), available at <https://www.energy.gov/sites/default/files/2024-09/Natural%20Gas%20Imports%20and%20Exports%20Monthly%20July%202024.pdf>.

22. By the end of 2024, Venture Global is estimated to earn over \$17.2 billion more in revenue than it would have earned had it honored its contracts with its foundational customers.<sup>27</sup>

23. Venture Global's second project, Plaquemines, is scheduled to come on-line in the coming months. It seems likely that Venture Global will extend the Plaquemines facility commercial operation date as long as possible as its long-term SPAs also have average prices well below the current LNG spot price. Having enticed all of its SPA customers with the promise of cheap LNG, Venture Global has simply refused to perform under those SPAs, opting instead to sell on the more lucrative spot market. As one Shell spokesperson stated: "Deciding not to honor the very contracts that put [Venture Global] in business is not disruption. It's deceit."<sup>28</sup>

24. Venture Global claims it has complied with the express terms of its SPAs with its foundational customers because it has not yet declared Calcasieu Pass "commercially operational," which it contends would trigger its obligations under the SPAs. As part of delaying its commercial operation date, Venture Global declared a force majeure event claiming that certain heat recovery steam generators in the facilities' power islands were in need of repair.<sup>29</sup> However, Venture Global used a temporary power set up and continued producing LNG at or above nameplate capacity during the force majeure event and selling it on the spot market.<sup>30</sup> Whether Venture Global has breached the terms of its contracts with its foundational customers and engaged in bad-faith self-

---

<sup>27</sup> Benoît Morenne & Jenny Strasburg, *The U.S. Gas Startup at the Center of an Epic Feud with Global Energy Giants*, WSJ (Dec. 6, 2023), <https://www.wsj.com/business/energy-oil/the-u-s-gas-startup-at-the-center-of-an-epic-feud-with-global-energy-giants-a59a1b39>; *Venture Global will not begin LNG deliveries to Italy's Edison until 2025*, Reuters (Oct. 14, 2024), <https://www.reuters.com/business/energy/venture-global-will-not-begin-lng-deliveries-italys-edison-until-2025-2024-10-14/>.

<sup>28</sup> Ruth Liao and Stephen Stapczynski, *Banker-Lawyer Duo Make Billions from Audacious Natural Gas Bet*, Bloomberg (June 27, 2024), <https://news.bloomberglaw.com/business-and-practice/banker-lawyer-duo-make-billions-from-audacious-natural-gas-bet>.

<sup>29</sup> *Start of commercial operations at Calcasieu Pass delayed, Venture Global LNG tells US regulator*, S&P Global (Mar. 30, 2023), <https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/natural-gas/033023-start-of-commercial-operations-at-calcasieu-pass-delayed-venture-global-lng-tells-us-regulator>.

<sup>30</sup> *Shell, BP seek US and EU intervention in dispute with Venture Global LNG*, LNGPrime (Nov. 13, 2023), <https://lngprime.com/americas/shell-bp-seek-us-and-eu-intervention-in-dispute-with-venture-global-lng/97429/>.

dealing to the tune of many billions of dollars is a question likely to be decided in one or more of the six commercial arbitrations currently pending against Venture Global.

25. The first of these arbitrations was filed by Edison in May 2023 in the London Court of International Arbitration.<sup>31</sup> Shell and BP followed suit in July 2023.<sup>32</sup> Repsol initiated arbitration against Venture Global in September 2023,<sup>33</sup> Orlen (successor to PGNiG) did so in December 2023,<sup>34</sup> and Galp did so in or around January 2024.<sup>35</sup> Each is still pending, though hearings started in one of the arbitrations this past month.<sup>36</sup>

26. The claim of all six of Venture Global's foundational customers is that Venture Global chose to engage in war-profiteering on the booming spot market rather than honor its SPA commitments to its foundational customers.<sup>37</sup> To date, Venture Global has not delivered a single LNG cargo to its foundational customers under the SPAs.

---

<sup>31</sup> Marwa Rashad & Curtis Williams, *Shell, BP pursue arbitration claims against Venture Global LNG*, Reuters (July 12, 2023), <https://www.reuters.com/business/energy/shell-bp-pursue-arbitration-claims-against-venture-global-lng-2023-07-12/>.

<sup>32</sup> *Id.*

<sup>33</sup> Marwa Rashad & Curtis Williams, *Repsol challenges Venture Global LNG over failure to supply gas*, Reuters (Sept. 20, 2023), <https://www.reuters.com/business/energy/repsol-challenges-venture-global-lng-over-failure-supply-gas-2023-09-20/>.

<sup>34</sup> Maciej Martewicz, *Orlen Files Arbitration Case Against Venture Global in LNG Spat*, Bloomberg (Dec. 23, 2023), <https://www.bloomberg.com/news/articles/2023-12-23/poland-s-orlen-files-arbitration-case-against-venture-global-in-lng-spat>.

<sup>35</sup> *Galp Energia v. Venture Global LNG*, Jus Mundi, <https://jusmundi.com/en/document/decision/en-galp-energia-sgps-s-a-v-venture-global-lng-inc-party-representatives-monday-1st-january-2024> (last updated Aug. 7, 2024).

<sup>36</sup> *Fitch Rates Venture Global's Preferred Stock 'B-'/'RR6'; Affirms IDR at 'B+'; Outlook Stable*, Fitch Ratings (Sept. 26, 2024), <https://www.fitchratings.com/research/corporate-finance/fitch-rates-venture-global-preferred-stock-b-rr6-affirms-idr-at-b-outlook-stable-26-09-2024>.

<sup>37</sup> Corey Paul, *Shell says Venture Global 'wrongfully earned' \$3.5 bil from Calcasieu Pass LNG commissioning delay*, S&P Global (Sept. 5, 2024), <https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/lng/090524-shell-says-venture-global-wrongfully-earned-35-bil-from-calcasieu-pass-lng-commissioning-delay>.

*Venture Global's foundational employees, including Mike, helped it secure its foundational customers.*

27. Beginning in 2014, before it had secured most of the financing for the Calcasieu Pass Project, Venture Global hired a number of individuals to serve as senior executives, including CEO, CFO, COO, and General Counsel. It also brought on a number of individuals to serve on an Advisory Board, which was to serve as “a resource of wise counsel to tap into periodically” to participate in “calls with [Pender and Sabel] and potential, off-takers, investment bankers, investors, potential senior executive recruits or similar.” Ex. A at 3. Each of these carefully selected individuals gave Venture Global—an industry newcomer by any definition—connections, decades of industry experience, and reputational credibility. They were critical to Venture Global’s efforts to secure its foundational contracts and subsequent financing. Specifically, leveraging the reputations, connections, and experience of these individuals, Venture Global was able to raise in equity capital of over \$2.8 billion from 2015 to 2019.<sup>38</sup>

28. Mike was part of these initial efforts. He joined Venture Global in 2017 after serving as the company’s relationship and engagement partner at PwC for several years. Mike was first introduced to Robert Pender and Michael Sabel in 2012 through a mutual professional acquaintance. Despite the fact that Venture Global was a new company and would likely not see any revenue for at least a decade, Mike championed Venture Global, Pender, and Sabel within PwC, so that PwC would accept Venture Global as a client. It was critically important for Venture Global—as a start-up with few assets, no revenue and only a handful of employees—to have a big-four accounting firm like PwC providing accounting, tax, and audit services.

---

<sup>38</sup> Press Release, Venture Global LNG, Venture Global LNG Raises \$675 Million of Additional Capital, Venture Global LNG (June 27, 2019), <https://venturegloballng.com/press/venture-global-lng-raises-675-million-of-additional-capital/>.

29. In early 2017, Pender and Sabel began courting Mike to leave PwC and join Venture Global. Even by 2017, Venture Global was still very much a start-up, and it was in need of capital. It had a single SPA with a single foundational customer at this point, and there was no assurance at that time that the company would ever be successful. Indeed, in 2015, Bloomberg declared that the Calcasieu Pass Project was “highly unlikely.”<sup>39</sup> When Mike joined, Venture Global had not yet begun to assemble the \$7.3 billion dollar project financing it would need to build the Calcasieu Pass Project. It had not yet (i) received regulatory approval to build Calcasieu Pass; (ii) entered into an engineering, procurement and construction contract for the project; (iii) entered into all of the necessary long-term LNG SPAs to finance the facility; (iv) entered into natural gas pipeline transmission and purchase contracts; or (v) entered into the project-finance arrangements to fund the construction of the facility. Pender and Sabel brought Mike on to take a leadership role with respect to these and other activities. As Chief Financial Officer and Treasurer, Mike reported directly to Pender and Sabel, Venture Global’s Co-Chief Executive Officers, and to the board of directors on numerous matters.

30. When Mike accepted Venture Global’s offer of employment on April 7, 2017, he was just the company’s seventeenth employee. Mike was taking a significant risk by leaving his position as a partner in a big-four accounting firm and joining a start-up in a field dominated by international oil and gas companies. As an industry newcomer with no revenue, Venture Global enticed new employees with the promise of stock options. As a result, much—in some instances, all—of the compensation paid to these individuals, including Mike, was in the form of stock options.

---

<sup>39</sup> Ruth Liao and Stephen Stapczynski, *Banker-Lawyer Duo Make Billions from Audacious Natural Gas Bet*, Bloomberg (June 27, 2024), <https://news.bloomberglaw.com/business-and-practice/banker-lawyer-duo-make-billions-from-audacious-natural-gas-bet>.

31. Mike's employment letter ("Employment Agreement"), Ex. B, set forth his cash compensation and potential cash bonus opportunities. It also provided for a grant of 5,000 stock options in Venture Global Series A Common Stock, Venture Global's only outstanding class of stock. *Id.* at 3. The options vested in equal installments over four years. *Id.* The option grant represented approximately 1% of Venture Global's outstanding stock at that time on a fully diluted basis. It was the second largest grant of options that Venture Global had ever issued. Significantly, Mike's initial base salary was roughly half of what he had been earning at PwC. For this reason, the stock options were critical to Mike's decision to join Venture Global.

32. Pursuant to his Employment Agreement, Mike's options were issued "subject to all the terms and conditions of the VG LNG 2014 Stock Option Plan ..." *Id.* at 3–4.

33. As stated in Section 1 of the 2014 Stock Option Plan, the purpose of the Plan was to:

- (a) provide eligible individuals with an incentive to contribute to the success of the Company and to operate and manage the Company's business in a manner that will provide for the Company's long-term growth and profitability to benefit its stockholders and other important stakeholders, including its employees and customers, and
- (b) provide a means of obtaining, rewarding and retaining key personnel. . . .

Ex. C at 5.

34. Under the 2014 Stock Option Plan, and the individual awards issued pursuant to the Plan (including Mike's Employment Agreement), vested optionees could exercise their options without restriction upon the payment of the agreed-upon strike price.

35. On June 12, 2017, Venture Global amended the 2014 Stock Option Plan and further amended it on March 15, 2019. Most of the changes were of a technical nature. Venture Global did not make any changes in the plan as to how optionees could exercise their options.



36. However, also on June 12, 2017, Venture Global amended the option-award documents pursuant to which it issued options to particular individuals under the 2014 Stock Option Plan. Venture Global offered most of the existing option holders (but not Mike) an additional 500 options to induce the option holders to enter into new standard-form option award agreements labeled “Non-Qualified Stock Option Agreements.” These new award agreements, all dated as of June 12, 2017, for the first time contained the following provision:

You may exercise the vested portion of your Option in accordance with the terms of this Agreement and the Plan prior to the Expiration Date, provided, however, that ***prior to the date of a consummation of a Change in Control or IPO, such exercise may only be effected with the consent of the Committee.***

Ex. S at 5 (emphasis added).

37. Under the 2014 Stock Option Plan, the “Committee” was “composed of not fewer than two directors of [Venture Global] designated by the Board [of Directors] to administer the Plan.” Ex. C at para. 3.1.2. Upon information and belief, the “Committee,” to the extent one exists, consists of Pender and Sabel.

38. In June 2017, shortly after Mike joined the company, he executed the Non-Qualified Stock Option Agreement which restated his earlier-granted option to purchase 5,000 shares of Venture Global’s Series A Common Stock (the “2017 NSO”), Ex. D, even though he did not receive the 500 options that others received in exchange for executing the 2017 NSO. The 2017 NSO also restated the four-year vesting period and contained an expiration date of June 11, 2027. *Id.* at 2. The option price was set at \$3,568 per share. *Id.* Consistent with the changes made to all outstanding stock option grants in June 2017, Mike’s 2017 NSO stated:

You may exercise the vested portion of your Option in accordance with the terms of this Agreement and the Plan prior to the Expiration Date provided, however, that prior to the date of or consummation of a Change in Control or IPO, such exercise may only be effected with the consent of the Committee.



*Id.* at 4.

39. The 2017 NSO further provided that it would “be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware . . . .” *Id.* at 8.

40. On April 1, 2019, in recognition of Mike’s performance, Mike was awarded an additional option to purchase 500 shares of Venture Global’s Series A Common Stock (the “2019 NSO”). Ex. E. The 2019 NSO vested over four years, and had an expiration date of March 31, 2029. *Id.* at 2. The option price was \$7,000 per share. *Id.* The Non-Qualified Stock Option Agreement memorializing the 2019 Option was otherwise identical to the 2017 NSO.

41. By the time Mike left in January 2020, Venture Global had: (1) completed the project financing for the \$7.3 billion Calcasieu Pass facility—which was the largest project financing completed in 2019 in the world; (2) established significant tax strategy and financial planning for project construction and early LNG sales (pre-commercial operations); (3) set up construction management and payment protocols for construction operations; and (4) developed a financial model for Venture Global’s second LNG project, Plaquemines LNG Project, including negotiation of engineering, procurement, and construction contract terms with the contractor for that facility. Mike had responsibility for, or a significant role in, all of Venture Global’s financial and regulatory affairs, including cash management, financial modeling, project financing for the \$7.3 billion construction project, contract review for project construction contractors, capital funding, tax strategy and planning, IT management, building operations (including leasing and build-out of office space), and various other functions.

***Venture Global fails to honor its deals with its foundational employees, including Mike.***

42. Other than Pender and Sabel, none of the individuals discussed above (Venture Global’s “foundational employees”) remain at the company. After most of these individuals left,

Venture Global experienced tremendous financial success. In September 2023, JPMorgan estimated that Venture Global could be worth as much as \$100 billion.<sup>40</sup> As of September 2023, PIMCO, one of Venture Global's institutional shareholders, valued Venture Global's shares at \$64,585 per share. Ex. O at 4.

43. In early 2023, the first three of these foundational employees attempted to exercise their options for Venture Global Series A Common Stock. All were told that the Compensation Committee—Pender and Sabel—refused to consent to the exercise of their options. When one of the employees pressed Venture Global for an explanation, Venture Global stated: “No justification is required for [the Compensation Committee’s] decision.” Ex. H at 3.

44. One of those attempted exercises stands out. Terry Newendorp served in various roles from 2014 to 2018—CEO, board member, and advisory board member. He was praised by Venture Global as someone with “more than thirty years of expertise specific to LNG,” specifically “in LNG project development and finance,”<sup>41</sup> and Venture Global used his name in investment and marketing materials. Over the years, Newendorp was awarded 2,000 options, of which 880 had vested as of the time of his death in March 2018.

45. On March 31, 2023, Newendorp's widow, Kathryn Lindquist, attempted to exercise 600 of her late husband's options. Ex. P at 4. In response, Venture Global requested that Ms. Lindquist demonstrate how she would fund the strike price (\$600,000) and the estimated withholding taxes (approximately \$3,780,000). Ex. Q at 3. A week later, Ms. Lindquist provided Venture Global with information showing how she would fund the exercise of the option. Once it

---

<sup>40</sup> Ruth Liao and Stephen Stapczynski, *Banker-Lawyer Duo Make Billions from Audacious Natural Gas Bet*, Bloomberg (June 27, 2024), <https://news.bloomberglaw.com/business-and-practice/banker-lawyer-duo-make-billions-from-audacious-natural-gas-bet>.

<sup>41</sup> Press Release, Venture Global LNG Appoints Terry A. Newendorp to Board of Directors, Venture Global LNG (June 7, 2016), <https://venturegloballng.com/press/venture-global-lng-appoints-terry-newendorp-board-directors/>.

became clear to Venture Global that Ms. Lindquist had the wherewithal to exercise the options, it wrote to her a month later stating: “After careful consideration, the Compensation Committee decided to not consent to the exercise of your options.” Ex. F at 3. Venture Global gave no reason. When pressed by Ms. Lindquist, Venture Global further responded a month later stating: “[T]he Company has a material interest in restricting the exercise of vested stock options prior to the date of any Change of Control or IPO of the Company.” Ex. G at 3.

46. Subsequently, at least nine other former officers, directors, and advisors, including Mike, have attempted to exercise their options. The Compensation Committee—Pender and Sabel—refused to consent to any of the exercises.

47. Upon information and belief, Pender and Sabel advised certain former employees that they were refusing to consent to stock-option exercises because they did not want former employees owning Venture Global stock. But it turns out they do not want current employees—other than themselves—to own stock either. Just this past month, Jessica Wickett, the Vice-President of Development, sought to exercise options that were expiring in October 2024. As with the foundational employees, Venture Global refused to permit her to exercise her options. Indeed, just days after her attempted exercise, she was fired.

48. Ms. Wickett started at Venture Global in 2014. She was one of Venture Global’s first four employees. She joined Venture Global because of the promise of equity ownership through options. As part of her offer of employment, Ms. Wickett was awarded 50 ten-year options to purchase Venture Global Class A common shares at a strike price of \$1,000 per share which were to vest quarterly over three years. During the next ten years, she remained a loyal employee of Venture Global, earning raises, bonuses, promotions, additional stock options, and favorable performance reviews. In September 2024, a month before Ms. Wickett’s 2014 options were set to

expire, Pender and Sabel offered to pay her \$10,000 per option—an amount far below PIMCO’s valuation of \$64,585 per share. She understandably rejected that offer. On September 16, 2024, Ms. Wickett attempted to exercise her options. The Compensation Committee—Pender and Sabel—refused to consent. On September 24, 2024, Ms. Wickett was terminated. Like so many other former Venture Global option holders, she has been forced to commence litigation. *Wickett v. Venture Glob. LNG, Inc.*, Case No. 1:24-cv-01869 (E.D. Va. 2024).

49. The majority of these individuals have filed litigation against the company or have apparently resolved their dispute after the threat of litigation. Nine of those have apparently resolved. Mike is now the thirteenth individual to bring litigation or other claims against Venture Global because the company refused to honor its deal.

50. On January 15, 2020, as part of his separation from Venture Global, Mike entered into an Amended and Restated Stock Option Agreement, which replaced the agreements covering the 2017 NSO and the 2019 NSO (the “Amended and Restated NSO”). Ex. I. Pursuant to the Amended and Restated NSO, Mike and Venture Global agreed that 3,218 of his previously granted 5,500 options would be fully vested and that he would have until January 15, 2026 to exercise those options. *Id.* at 2. Other than these changes, the terms of the Amended and Restated NSO were substantially identical to the 2017 and 2019 NSOs. As a result of the Amended and Restated NSO, Mike held options to purchase 3,218 shares of Venture Global Series A Common Stock at an aggregate strike price of \$11,800,000, which he could exercise at any time through January 15, 2026 (approximately 0.5% of the company stock on fully diluted basis).

51. On four separate occasions between July 22, 2022 and January 9, 2023, Mike attempted to exercise his options through email correspondence with Keith Larson, Venture

Global's General Counsel. Ex. J. Venture Global rejected Mike's exercises. On July 24, 2022, Larson wrote:

[B]ecause [Venture Global] is still pre-IPO, all of the outstanding vested stock options including yours are not exercisable under the Plan without the consent of the Compensation Committee of the Board of Directors. While a few requests for consent have been submitted by former employees, the Compensation Committee has not consented to any exercise to date and has declined to do so in this instance as well.

*Id.* at 7.

52. When Mike pressed the matter further in August 2022, Larson responded:

I presented to [sic] your request to the Compensation Committee, whose consent is required for any exercise prior to a Change of Control or IPO. The Committee did not consent to the exercise of your stock options.

*Id.* at 6.

53. Mike sought to exercise again in January 2023, and Larson responded with an identical email:

I presented to [sic] your new request to the Compensation Committee, whose consent is required for any exercise prior to a Change of Control or IPO. The Committee did not consent to the exercise of your stock options.

*Id.* at 2.

54. In June 2023, Mike again attempted, through his then-counsel, to exercise his options. Venture Global, through its outside counsel, responded:

[T]he Compensation Committee [has] the authority to determine whether to consent to the exercise of vested options prior to the date of the consummation of a Change in Control or IPO. The Compensation Committee has declined to provide that consent in the valid exercise of its and the Company's rights. Notwithstanding that decision, Mr. Eberhardt remains the holder of his vested options for several more years and an opportunity to exercise those options may still transpire.

Ex. K at 2.

55. On October 31, 2023—after four months of silence—Venture Global’s outside counsel wrote to Mike’s prior counsel offering, on behalf of Venture Global, to make a payment of [REDACTED] to Mike in exchange for his “cancelling all of his vested stock options.” Counsel wrote:

We previously exchanged correspondence earlier this year where Mr. Eberhardt asserted certain claims regarding his vested stock options in respect of the series A shares of Venture Global, all of which we unequivocally rejected. Please know that this letter is neither a response to that prior correspondence nor an invitation to revisit those topics.

Taking into account the Company’s status as a private company and the remoteness of a transaction that would enable Mr. Eberhardt to freely exercise his options, the Company is prepared to make a one-time payment to Mr. Eberhardt in exchange for him cancelling all of his vested stock options. The details of the proposed payment are set forth in the attached agreement.

Please let me know by Monday, November 6, if Mr. Eberhardt is interested in a deal that is consistent with the financial terms set out in the attached agreement.

Ex. L at 2.

56. On November 3, 2023, Mike’s current counsel responded and requested certain Venture Global financial information so that they could evaluate the offer. Ex. M at 4–5. One month earlier, Venture Global had completed various transactions which appeared to value Venture Global’s Class A Common Stock at roughly \$65,000 per share, thus making Mike’s options worth roughly \$200,000,000.

57. On November 6, 2023, counsel for Venture Global responded that Mike was “not entitle[d] . . . to receive the information that [he] requested” and thus, refused to provide any of the information Mike sought. *Id.* at 4. Despite this, counsel for Venture Global encouraged Mike to accept Venture Global’s “generous and fair offer to cancel out [Mike’s] options.” *Id.*

58. On November 7, 2023, Mike’s counsel responded, and again requested that Venture Global provide “basic current financial information to help [Mike] evaluate [Venture Global’s] offer.” *Id.* at 3. Counsel noted that “the implied [REDACTED] share price contained in Venture Global’s offer” was difficult to square with “recently-published valuations of Venture Global’s common stock shown in certain PIMCO and T. Rowe Price fund documents.” *Id.* Finally, counsel noted that Venture Global’s position was particularly unreasonable in light of Venture Global’s request for, as a condition of payment, a representation from Mike that he “has made an investigation of the law and facts pertaining to this settlement and this Settlement Agreement and of all the matters pertaining thereto as [he] deems necessary.” *Id.*

59. On November 8, 2023, counsel for Venture Global responded: “The Company will not be providing access to its confidential financial information to persuade [Mike] to accept this offer.” *Id.* at 2.

60. On November 30, 2023, Mike’s counsel wrote to counsel for Venture Global, informing Venture Global that Mike intended to exercise his options. Counsel therefore requested: (i) the exercise form specified by the 2014 Stock Option Plan; (ii) direction as to whom the exercise form should be directed; (iii) any additional procedures specified by Venture Global’s Committee; (iv) the estimated amount of withholding taxes; and (v) a copy of the Stockholders Agreement. Ex. N at 7–8. With respect to the actual exercise of the options, Mike’s counsel stated the following:

Michael is willing to work with Venture Global as to the manner in which the option exercise is effectuated. First, Michael is willing to accept a cash payment equal to the difference between the aggregate strike price of the options and the aggregate fair market value of the option shares on the date of exercise. We note that Venture Global has done a number of multi-billion-dollar debt issuances earlier this year, so we assume that Venture Global would have more than sufficient cash liquidity. We also note that, in the past few months,

Venture Global has made cash-out payments to at least six other option holders with options valued in excess of \$150 million. A cash payment would address the concern expressed to Ms. Lindquist [another option holder] in June 2023 that Venture Global “has a material interest in restricting the exercise of vested stock options prior to the date of any Change of Control or IPO of the Company.”

Alternatively, Michael is willing to exercise his options by paying the aggregate strike price and any tax withholding by allowing Venture Global “to withhold Common Shares otherwise issuable” to Michael as permitted in the “Form of Payment” and “Withholding” sections of the [Amended and Restated NSO]. This approach would minimize the number of common shares Venture Global would have to issue.

Finally, Michael is prepared to pay cash for the exercise of his options and to fund the estimated withholding. Michael will make the appropriate financial arrangements to pay the exercise price and the estimated withholding. However, before he does so, he needs to know that Venture Global will honor his decision to exercise. Michael is aware of how Venture Global addressed Ms. Lindquist’s option exercise earlier this year. Venture Global asked Ms. Lindquist to demonstrate that she had the financial wherewithal to exercise her late-husband’s options. Then when she made the necessary showing, Venture Global refused to honor her exercise. Michael does not want to line up financing and then be told that Venture Global will not honor his exercise.

Whichever of these three options Venture Global chooses to pursue will require establishing the fair market value of the shares on the date the exercise is effected. We are willing to discuss whether the recent repurchase of the T.Rowe Price shares and related valuation amount reflected by T.Rowe Price in its registered funds might be an appropriate proxy. We are also open to other approaches. We know that in April 2023, Venture Global informed Ms. Lindquist that the fair market value of the Venture Global common shares was \$18,000/share. If Venture Global has updated that number (especially in light of the September 25, 2023 reorganization) or performed a recent 409A valuation, we are willing to consider whether that updated number would be appropriate.

*Id.* at 7–8.

61. On December 5, 2023, Venture Global’s counsel responded as follows:

Although Mr. Eberhardt holds valid options, under the terms of his Amended & Restated Non-Qualified Stock Option Agreement,



those options cannot be freely exercised prior to an IPO or defined change of control event. That has not happened. Thus, under the terms of his Agreement, he must obtain the consent of the Company's Compensation Committee in order to exercise his options. Mr. Eberhardt previously sought the required consent, and his request was denied. Because Mr. Eberhardt is not presently in a position to exercise his options under the terms of his agreement, the company is not required to provide the additional information requested in your letter regarding the valuation and exercise of options.

*Id.* at 5–6.

62. On December 8, 2023, Mike's counsel responded:

I appreciate that Venture Global did not consent in the past when Michael sought to exercise his options. That, however, does not prohibit Michael from seeking to exercise his options now or at any time until January 15, 2026. I had hoped, given the four lawsuits and seven recent settlements with other option holders, that Venture Global would reconsider its position as to Michael.

Michael would like to exercise his options now. He needs Venture Global's cooperation to do so. We request that the Compensation Committee of the Board of Directors be provided with both this email and my email of November 30, 2023 and that it consider Michael's current request and formally respond.

If, after consideration of Michael's request, Venture Global is still unwilling to consent, we would like to know the reason why and also know under what circumstances Venture Global would consent.

*Id.* at 4–5.

63. On December 20, 2023, Venture Global responded:

The company asked me to communicate to you that, at your request, on behalf of Mr. Eberhardt, its Compensation Committee met to consider Mr. Eberhardt's current request to exercise along with your email correspondence. I am informed that the Committee did not consent to the exercise by Mr. Eberhardt of his stock options for the same valid and compelling business reasons that guided its deliberations regarding Mr. Eberhardt's prior requests, including the risks attendant to broadening the shareholder group of a private company. The company will not speculate as to the conditions under which consent to exercise would be granted. As I am sure you

appreciate, the Plan gives it discretion to make decisions based on factors that are relevant at the time.

*Id.* at 4.

64. On December 22, 2023, Mike's counsel responded as follows:

I appreciate that the Compensation Committee has apparently considered Mike's request to exercise his options. We are, however, at a loss to understand Venture Global's decision to deny Mike the right to exercise his options due to "the risks attendant to broadening the shareholder group of a private company." It is not clear to us what these risks are, and your email does not say. We do not believe Venture Global's position is credible.

First, there is no shareholder group. According to Venture Global's recent Department of Energy filings, Venture Global is now a "wholly-owned subsidiary" of Venture Global Holdings, Inc. If Mike were permitted to exercise his options, he would become the only other shareholder and have less than 1% of Venture Global's outstanding stock. He would also be subject to the Stockholders Agreement. What "risk" is the Compensation Committee concerned about in having Venture Global Holdings and Mike as the sole shareholders of Venture Global?

Second, if the Compensation Committee re-reads my November 30, 2023 email, it will see that the first exercise option we propose is "a cash payment [by Venture Global] equal to the difference between the aggregate strike price of the options and the aggregate fair market value of the option shares." This would fully address Venture Global's avowed concern about the "risk" attendant to broadening the shareholder group. Moreover, we understand that Venture Global has already cashed out at least eight other option holders this year.

Third, alternatively, if Venture Global is not willing to make a cash payment, Michael will agree, as part of his option exercise, to sell his option shares to PIMCO or one of the other institutional investors in Venture Global Holdings. This approach would not require Venture Global to make any cash payment or to broaden the shareholder group. This approach would appear to be a win/win.

Fourth, there is no risk "to broadening the shareholder group of a private company," especially where as here, 85% of the company is owned by two individuals, there is a Stockholder Agreement, and there is a right of first refusal on the sale of any shares. It is not unusual at all for large private companies to have dozens and even

hundreds of shareholders. If I am mistaken in that, let me know what these purported risks are, and we will gladly work with Venture Global to address them.

I would hope that Venture Global will respond to the matters I have raised above, but I suspect the answer will be the same: Venture Global will not permit Mike to exercise his options now under any circumstances and “will not speculate” whether it will do so in the future. If I am wrong, let me know.

*Id.* at 2–3.

65. Mike never received a substantive response to his counsel’s December 22, 2023 email. There is no indication that an IPO or change in control will occur prior to January 15, 2026, or that the Compensation Committee—Pender and Sabel—will ever consent to Mike’s exercise of his options because doing so would dilute Pender’s and Sabel’s own interests in Venture Global. For those reasons, he has commenced this litigation.

#### **Damages: Valuation of Mike’s Options**

66. Prior to September 25, 2023, Pender and Sabel (through an LLC) owned 63.54% of Venture Global, and a small group of institutional investors owned 36.46%. Ex. R at 4. Effective as of September 25, 2023, Venture Global undertook a reorganization by which the holdings of some of the institutional holders were bought out, and also created a new company called Venture Global Holdings, Inc. *Id.* at 7. Venture Global Holdings became the 100% owner of Venture Global. Venture Global Holdings is, in turn, owned 83.79% by Pender and Sabel, 15.10% by various PIMCO funds, and 1.11% by other institutional investors. *Id.* at 7–8, 12. Venture Global Holdings has no assets other than its ownership interest in Venture Global.

67. Prior to September 25, 2023, PIMCO owned Venture Global Series A Common Stock in various of its funds. One fund was the PIMCO Energy and Tactical Credit Opportunities Fund (now called the Dynamic Income Strategy Fund). That fund held 3,473 shares of Venture Global’s Class A Common Stock. As part of Venture Global’s September 25, 2023 reorganization,

the Opportunities Fund exchanged its ownership of 3,473 shares in Venture Global Series A Common Stock for 3,473 shares of Venture Global Holdings Series A Common Stock. In a portfolio holdings report dated as of September 30, 2023, PIMCO valued the 3,473 Venture Global Holdings shares at \$224,303,705 (\$64,585 per share). Ex. O at 4. PIMCO has continued to report a substantially similar valuation for the Venture Global Holdings shares in each of the quarterly portfolio holdings reports it has issued since September 30, 2023.

68. Assuming that Venture Global Series A Common Stock was worth \$64,585 per share on November 30, 2023 when Mike attempted to exercise his options, Mike's options were worth \$196,034,530 ((3,218 shares x \$64,585) – \$11,800,000 (aggregate strike price)). He is therefore entitled to damages of \$196,034,530 resulting from Venture Global's failure to honor his options exercise.

69. In addition, Mike is entitled to pre-judgment interest at 10.5% per annum and punitive damages from Pender and Sabel for their willful acts in tortiously interfering with the Amended and Restated NSO by acting solely in their own interests rather than Venture Global's in causing Venture Global to refuse to consent to Mike's exercise of his options.

## COUNT I

### **By Refusing to Honor Mike's Exercise of His Options, Venture Global has Breached the Amended and Restated NSO**

70. Mike repeats and realleges each and every allegation contained in Paragraphs 1- 65 as if fully set forth herein.

71. In September 2023, JPMorgan Chase & Co. estimated that Venture Global could be worth as much as \$100 billion.<sup>42</sup> At that valuation, Pender and Sabel's personal ownership

---

<sup>42</sup> Ruth Liao and Stephen Stapczynski, *Banker-Lawyer Duo Make Billions from Audacious Natural Gas Bet*, Bloomberg (June 27, 2024), <https://news.bloomberglaw.com/business-and-practice/banker-lawyer-duo-make-billions-from-audacious-natural-gas-bet>.

interest is worth over \$84 billion—an interest that was worth less than \$1 million just ten years ago.

72. Venture Global’s success during the last decade has been built, in large measure, on the efforts of its foundational officers, directors, and advisors and on the six SPAs entered with its foundational offtake customers. Venture Global—at the direction of Pender and Sabel—has elected to stiff all of these foundational actors in order to line its own pocket. It is no surprise that Venture Global now finds itself in multiple litigations with many of its foundational employees and advisors and in six arbitrations with all of its foundational customers.

73. Venture Global—at the behest of Pender and Sabel—has not permitted a single officer, director, employee, or advisor to exercise their option grants, despite numerous requests. These option grants were extended to these foundational employees and advisors when Venture Global’s success was far from certain. The option grants were often issued in addition to or in lieu of cash compensation because Venture Global did not, in the early days, have the wherewithal to pay market-rate compensation to attract the level of talent that it did. Now that it has become successful, Venture Global has elected not to honor any of its option grants, hoping that the options (which are time-limited) will expire and become worthless. Pender and Sabel have caused Venture Global to withhold consent on any attempt by a current or former employee or advisor to exercise their options simply out of greed. Pender and Sabel do not want to dilute their equity stakes and wish to keep solely for themselves the massive wealth that Venture Global has created.

74. The 2014 Stock Option Plan states: “No member of the Board or the Committee shall be liable for any action or determination *made in good faith* with respect to the Plan or any Award or Award Agreement.” Ex. C at 14 (emphasis added).

75. The 2014 Stock Option Plan is expressly incorporated into the Amended and Restated NSO. *See* Ex. I at 9 (“The text of the Plan is incorporated into this A&R Agreement. . . .”).

76. Venture Global—at the behest of Pender and Sabel—has breached the express terms of the Amended and Restated NSO by failing to act in good faith in at least the following ways:

- Venture Global’s decision to withhold consent to Mike’s option exercise was made for the sole purpose of benefitting Pender and Sabel. Because Pender and Sabel control 84% of Venture Global, it is Pender and Sabel—not Venture Global—who are withholding consent.
- Venture Global either failed to establish a Compensation Committee or failed to establish one that is independent and capable of making a non-conflicted decision.
- There were no deliberations of the Compensation Committee, simply a determination by Pender and Sabel that they did not want their ownership interests diluted. The Compensation Committee only belatedly started providing “reasons” for its decisions when it realized it was going to be in litigation with most of its foundational employees.
- Venture Global has frustrated and acted contrary to the stated purpose of the Stock Option Plan. When Venture Global—at the behest of Pender and Sabel—added the consent provision to the stock-option agreements in 2017, it had no intention of honoring any requests to exercise, despite the fact that the Stock Option Plan was established to provide employees and others “with an incentive to contribute to the success of [Venture Global]” and to “provide a means of obtaining, rewarding and retaining key personnel.” The addition of the Consent Provision was therefore a bad faith exercise of the discretion granted to the Compensation Committee in Section 8.2 of the Stock Option Plan which provides that “each Option granted under the Plan shall become vested and/or exercisable at such times and under such conditions as shall be determined by the [Compensation] Committee . . . .”
- Venture Global has engaged in a bait-and-switch. It entices prospective employees with valuable stock options and then refuses to consent to the exercise of those options. It has further structured its financials so that it will not need to undertake an IPO. Effectively, Pender and Sabel have made the stock-options grants illusory promises.

- Venture Global’s belatedly expressed and supposed reason for withholding consent—the risk attendant to broadening the shareholder group of a private company—is a pretext and makes no sense in any event. There are no risks and Venture Global has never articulated what the risks could be in any event. Option holders regularly exercise their options in private companies pre-IPO. Moreover, as set forth in Paragraph 64, Mike offered to do a cashless exercise or sell his shares to an existing shareholder (PIMCO), so there would not have been a broadening of the shareholder group. As Venture Global had over \$3 billion of unrestricted cash on its balance sheet at the time Mike attempted to exercise, Venture Global could easily have executed a cashless exercise of Mike’s options.
- Venture Global’s attempt in November 2023 to pay Mike [REDACTED] to “cancel” his options, while threatening him with “the remoteness of a transaction that will enable [Mike] to freely exercise his options” is further evidence of Venture Global’s bad faith. Pender and Sabel control the decision of whether and when Venture Global will undertake an IPO. Effectively, Venture Global was informing Mike that any IPO would only happen after his options expired and that he should therefore accept [REDACTED] to cancel his options, despite the fact that the options were worth almost \$200 million at the time Venture Global made its offer.
- Venture Global (as opposed to Pender and Sabel) would benefit from permitting option holders to exercise their options. Venture Global would receive the strike price—here \$11.8 million—as well as the good will of rewarding those who were critical to Venture Global’s success. The only conceivable reason Venture Global is not consenting to Mike’s exercise is that it is acting solely to benefit Pender and Sabel.

Other indications of Venture Global’s bad faith can be seen in:

- Venture Global’s decision to force all of its foundational officers, directors, employees, and advisors to file or threaten to file lawsuits and then to settle with some of them at substantial discounts to the true value of their options, as described in Paragraphs 42-49.
- The manner in which Venture Global treated Kathryn Lindquist, the widow of Terry Newendorp, one of Venture Global’s first CEOs and directors, as described in Paragraphs 44-45.
- The manner in which Venture Global treated Jessica Wickett, firing her just days after she sought to exercise her options, as described in Paragraphs 47-48.
- The manner in which Venture Global treated all of its foundational offtake customers, forcing all of them to commence arbitrations over their SPAs as

described in Paragraphs 16-26. Venture Global has apparently made the calculation that breaching its option contracts with its foundational employees and its SPAs with its foundational customers and forcing arbitration or litigation is more economically advantageous than honoring the contracts.

- Venture Global’s decision to intentionally delay an IPO (which was under discussion during Mike’s employment, including the drafting of a Form S-1 Registration Statement—the required securities filing for an IPO) until after all outstanding options expire. Venture Global has been able to do this by raising \$20 billion in spot market LNG sales through breaching the SPAs with its foundational customers and by issuing massive amounts of debt or preferred stock rather than undertaking a public offering of its common shares.<sup>43</sup>

## COUNT II

### **By Refusing to Honor Mike’s Exercise of His Options, Venture Global Has Breached the Implied Covenant of Good Faith and Fair Dealing**

77. Mike repeats and realleges each and every allegation contained in Paragraphs 1-65, 71-73 and 76 as if fully set forth herein.

78. The Amended and Restated NSO provides the following regarding governing law:

The validity and construction of this A&R Agreement will be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this A&R Agreement to the substantive laws of any other jurisdiction.

Ex. I at 8.

79. “In Delaware, the implied covenant of good faith and fair dealing inheres in every contract,” including option contracts. *Markow v. Synageva Biopharma Corp.*, 2016 WL 1613419, at \*7 (Del. Super. Ct. Mar. 3, 2016). “The implied covenant is particularly important in contracts

---

<sup>43</sup> By way of example, on September 30, 2024, Venture Global raised—for “general corporate purposes”—\$3 billion through the issuance of preferred stock. See Venture Global LNG, *Venture Global Announces Closing of a \$3 Billion Perpetual Preferred Stock Inaugural Offering*, PR Newswire (Oct. 1, 2024), <https://www.prnewswire.com/news-releases/venture-global-announces-closing-of-a-3-billion-perpetual-preferred-stock-inaugural-offering-302263851.html>.



that endow one party with discretion in performance, *i.e.*, in contracts that defer a decision at the time of contracting and empower one party to make that decision later.” *Amirsaleh v. Bd. of Trade*, 2008 WL 4182998, at \*8 (Del. Ch. Sept. 11, 2008). In such circumstances, “the implied covenant requires that the discretion be used reasonably and in good faith.” *Terrell v. Kiromic Biopharma, Inc.*, 297 A.3d 610, 620 n.37 (Del. 2023) (cleaned up); *see also Amirsaleh*, 2008 WL 4182998, at \*8. With respect to options, Delaware courts have recognized breach of the implied covenant of good faith and fair dealing claims based on allegations that defendant “frustrated [plaintiffs’] reasonable expectation of receiving ‘the fair value of their options, as bargained for under [plaintiffs’] employment agreements.’” *Markow*, 2016 WL 1613419, at \*7; *see also Haney v. Laub*, 312 A.2d 330, 334 (Del. Super. Ct. 1973) (holding that employer must refrain “from directly frustrating the exercise of the option”).

80. In the alternative, and for the reasons stated in Paragraphs 71-73 and 76, Venture Global has breached the implied covenant of good faith and fair dealing.

### **COUNT III**

**By Acting in Their Own Self-Interest and Causing Venture Global  
to Withhold Consent to Mike’s Exercise of His Options,  
Pender and Sabel Have Tortiously Interfered with the Amended and Restated NSO**

81. Mike repeats and realleges each and every allegation contained in Paragraphs 1-65, 71-73 and 76 as if fully set forth herein.

82. Pender and Sabel tortiously interfered with the Amended and Restated NSO by adding the consent provision and giving themselves discretionary and unreviewable authority to refuse to recognize valid exercises of vested options.

83. Under the Amended and Restated NSO, Mike’s exercise of his options was subject to “the consent of the Committee.”

84. As directors of Venture Global and members of the purported “Committee,” Pender and Sabel are required to act in the best interest of Venture Global.

85. Allowing Mike to exercise his options was in the best interest of Venture Global because Venture Global would have received the \$11.8 million strike price as well as the goodwill associated with incenting and rewarding those who had been critical to the success of the company.

86. Pender and Sabel were unwilling to dilute their own interests and caused Venture Global to withhold consent to any attempts by Mike or the other foundational employees to exercise their options.

87. In refusing to permit Venture Global to consent, Pender and Sabel engaged in unlawful self-dealing—acting entirely for their own interests to the detriment of Venture Global.

88. In doing so, Pender and Sabel caused Venture Global to breach the express terms of the Amended and Restated NSO and/or the implied covenant of good faith and fair dealing, resulting in hundreds of millions of dollars in damages to Mike.

89. Pender and Sabel’s actions, as described above, were willful acts of tortious interference, thus entitling Mike to punitive, as well as compensatory damages.

#### **Prayer for Relief**

Plaintiff respectfully requests that the Court:

90. Award damages equal to the value of 3,218 shares of Venture Global Series A Common Stock less \$11,800,000.

91. Award interest of 10.5% running from November 2023 until payment.

92. Award attorneys’ fees and costs.

93. Award punitive damages.

94. Award such other and further relief as this Court deems appropriate.

**Jury Demand**

Plaintiff demands a trial by jury on all issues so triable.

Dated: October 30, 2024

Respectfully Submitted,

/s/ Meghan S. B. Oliver

Meghan S. B. Oliver  
Virginia State Bar No. 67962  
Charlotte E. Loper  
*Pro Hac Vice Forthcoming*  
Motley Rice LLC  
28 Bridgeside Blvd.  
Mt. Pleasant, SC 29464  
Telephone: (843) 216-9000  
[moliver@motleyrice.com](mailto:moliver@motleyrice.com)  
[cloper@motleyrice.com](mailto:cloper@motleyrice.com)

William H. Narwold  
*Pro Hac Vice Forthcoming*  
Motley Rice LLC  
One Corporate Center  
20 Church Street, 17<sup>th</sup> Floor  
Hartford, CT 06103  
Telephone: (860) 882-1676  
[bnarwold@motleyrice.com](mailto:bnarwold@motleyrice.com)